Hydrogen Sulfide Drilling Operations Plan J. Cleo Thompson & James Cleo Thompson, Jr., L.P. Cortez '33' Well No. 1

30-019-38940

- 1. All company and contract personnel admitted on location must be trained by a qualified H₂S safety instructor to the following:
 - A. Characteristics of H₂S
 - B. Physical effects and hazards
 - C. Proper use of safety equipment and life support systems
 - D. Principle and operation of H₂S detectors, warning system and briefing
 - E. Evacuation procedure, routes and first aid
 - F. Proper use of 30-minute pressure demand air pack

2. H₂S Detection and Alarm System

H₂S detectors and an audible alarm system will be located at the bell nipple, end of the flow line (mud pit) and on the derrick floor or doghouse.

3. Windsock and/or Wind Streamers:

- A. Windsock/streamers to be placed at mudpit area high enough to be visible.
- B. Windsock/streamers to be placed in briefing area high enough to be visible.

4. Condition Flags and Signs:

- A. Warning sign to be placed on access to location
- B. Flags will be displayed on sign at entrance to location.
 - Green Flag: normal, safe conditions
 - Yellow Flag: potential pressure/H₂S danger
 - Red Flag: Danger, H₂S is present in dangerous concentrations, only emergency personnel admitted to location

5. Well Control Equipment

A. See Exhibit F

6. Communication:

- A. While working under masks, chalkboards will be used for communication.
- B. Hand signals will be used where chalkboards are inappropriate.
- C. Two-way radios will be used to communicate off location in case of emergency help is required. In most cases cellular phones will be available in the drilling foreman's trailer/living quarters.

7. Drillstem Testing:

No DSTs or cores are planned at this time

- 8. Drilling contractor supervisor will be required to be familiar with the effects H₂S has on tubular goods and other mechanical equipment.
- 9. If H₂S is encountered, mud system will be altered as necessary to maintain control of the formation. A mud gas separator will be brought into service along with H₂S scavengers if necessary.

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Emergency Procedures

In the event of a release of gas containing H₂S, the first responder(s) must:

- Isolate the area and prevent entry by other persons into the 100 ppm ROE.
- Evacuate any public places encompassed by the 100 ppm ROE.
- Be equipped with H₂S monitors and air packs in order to control the release
- Use the "Buddy System" to ensure no injuries occur during the response.
- Take precautions to avoid personal injury during this operation
- Contact operator and/or local officials to aid in operation. See list of phone numbers attached.
- Have received training in the following:
 - ✓ Detection of H₂S,
 - ✓ Measures for protection against the gas,
 - ✓ Equipment used for protection and emergency response.

Ignition of Gas Source

Should control of the well be considered lost and ignition considered, take care to protect against exposure to sulfur dioxide, SO₂. Intentional ignition must be coordinated with the NMOCD and local officials. Additionally, the NM State Police may become involved. NM State Police shall be the Incident Command on scene of any major release. Take care to protect downwind whenever there is an ignition of gas.

Characteristics of H2S and SO2

Common Name	Chemical Formula	Specific Gravity	Threshold Limit	Hazardous Limit	Lethal Concentration
Hydrogen Sulfide	H_2S	1.189 (Air=1)	10 ppm	100 ppm/hr	600 ppm
Sulfur Dioxide	SO_2	2.21(Air=1)	2 ppm	N/A	1,000 ppm

Contacting Authorities

J. Cleo Thompson & James Cleo Thompson, Jr., L.P. personnel must liaise with local and state agencies to ensure a proper response to a major release. Additionally, the OCD must be notified of the release as soon as possible but no later than 4 hours. Agencies will ask for information such as type and volume of release, wind direction, location of release, etc. Be prepared with all information available including directions to site. The following call list of essential and potential responders has been prepared for use during a release. J. Cleo Thompson & James Cleo Thompson, Jr., L.P. 's response will be in coordination with the State of New Mexico's Hazardous Materials Emergency Plan" (HMER).

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J. Cleo Thompson, Odessa (432-550-8887		
Key Personnel		0.00		
Name	Title	Office	Mobile	
Jim Stevens	Operations Manager	432-550-8887		
Doug Dietrich	Engineer	432-550-8887	432-664-2549	
Jeff Bryden	Geologist	432-550-8887	432-661-0171	
Johnnie Holder	Drilling Superintendent	432-550-8887	432-664-2891	
Gary Moreau	Pumper		575-631-5643	
Artesia				
Ambulance	911			
State Police	575-746-2703			
City Police	575-746-2703			
Sheriff's Office			575-746-9888	
Fire Department	575-746-2701			
Local Emergency Planning	575-746-2122			
New Mexico Oil Conservati	575-748-1283			
The will will the conservation	on Division		373-740-1203	
Carlsbad				
Ambulance			911	
State Police	575-885-3137			
City Police			575-885-2111	
Sheriff's Office	575-887-7551			
Fire Department	575-887-3798			
Local Emergency Planning (575-887-6544			
US Bureau of Land Manager	575-887-6544			
Santa Fe				
New Mexico Emergency Re	505-476-9600			
New Mexico Emergency Re	505-827-9126			
New Mexico State Emergen	505-476-9635			
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National				
National Emergency Respon	800-424-8802			
Medical				
Flight for Life – 4000 24 th St	t., Lubbock, TX		806-743-9911	
Aerocare – R3, Box 49F, Lu	806-747-8923			
Med Flight Air Amb. – 2301	505-842-4433			
SB Air Med Service – 2505	505-842-4949			
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Other				
Boots & Coots IWC		800-256-9688 or		
Cudd Pressure Control	432-563-3356			
Halliburton	575-746-2757			
B.J. Services	575-746-3569			